



INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

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PAYMENT OF TAX BY ELECTRONIC FUND TRANSFER

Proprietors of distilled spirits plants, wine
producers, brewers, manufacturers of tobacco
products, importers, and other concerned:

Purpose. The purpose of this industry circular is to inform you that a new ATF procedure, entitled "Payment of Tax by Electronic Fund Transfer (ATF P 5000.8)" will be published in a future quarterly issue of the ALCOHOL, TOBACCO AND FIREARMS QUARTERLY BULLETIN. This ATF procedure will provide instructions and guidance to taxpayers, as required by 27 CFR 19.523a, 240.591a, 245.117b, 250.112a, 170.165a, and 275.115a, in paying their excise taxes by electronic fund transfer (EFT). These regulations were issued in T.D. ATF-77.

The ATF procedure will read substantially as follows:

ATF Proc. 81-2

"SECTION 1. ***

"SEC. 2. BACKGROUND.

"Treasury Decision ATF-77 (46 FR 2999; January 13, 1981) requires that excise taxpayers of alcohol and tobacco products, who pay \$5 million or more in excise taxes during a fiscal year, will pay their taxes by means of EFT for the following fiscal year. A fiscal year means that period which begins on October 1 and ends on the following September 30.

"The \$5-million threshold applies to each taxpaying plant or factory. Taxpayers who have multiple locations need only pay taxes by EFT for those plants or factories which reach taxpayments of \$5 million or more during the preceding fiscal year.

"An electronic fund transfer is a transfer of funds from the taxpayer's commercial bank account to the Treasury Account at the Federal Reserve Bank of New York. The taxpayer's commercial bank, either directly or through a correspondent bank, will be using the EFT system known as Federal Reserve Communications System (FRCS) or Fedwire.

"SEC. 3. TAXPAYERS REQUIRED TO PAY EXCISE TAXES BY ELECTRONIC FUND TRANSFER.

"Each proprietor of a distilled spirits plant, bonded wine cellar, bonded winery, brewery, or tobacco products factory who paid an amount of \$5 million or more in excise taxes during fiscal year October 1, 1979-September 30, 1980, shall begin paying his taxes by EFT for the return period beginning June 1, 1981.

"Taxpayers, not already making taxpayments by EFT, who pay an amount of \$5 million or more in excise taxes during fiscal year October 1, 1980-September 30, 1981, shall pay their taxes by EFT for the return period beginning October 1, 1981.

"Any taxpayer not already making taxpayments by EFT, who pays an amount of \$5 million or more in excise taxes during any fiscal year beginning on or after October 1, 1981, shall begin paying his taxes by EFT for all return periods during the subsequent fiscal year.

"Persons in Puerto Rico who pay an amount of \$5 million or more in excise taxes on alcohol or tobacco products and who file deferred tax returns shall follow the schedule discussed above for paying taxes by EFT.

"The \$5-million amount of excise taxpayments refers to the net amount of taxes due and payable on returns required to be filed in the fiscal year after any authorized credits are taken. Refunds of taxes are not authorized credits; therefore, taxpayers cannot use the amount of refunds to determine their fiscal year excise taxpayments.

"SEC. 4. TAXPAYER'S WRITTEN NOTIFICATION.

"On or before October 10 of each fiscal year, each taxpayer who paid an amount of \$5 million or more in excise tax in the previous fiscal year will notify, in writing, the regional regulatory administrator that the remittances for the current fiscal year will be paid by EFT. No notification is required for taxpayers already using EFT to pay their alcohol or tobacco products excise taxes.

"The written notification will include the name, registry or plant number, plant address, employer identification number of the taxpayer, and the type of excise tax (distilled spirits, wine, etc.). The taxpayer will file the written notification with the regional regulatory administrator in the region where the taxpaying plant is located.

"SEC. 5. ELECTRONIC FUND TRANSFER MESSAGES.

"Taxpayers are responsible for making arrangements with their commercial bank to send EFT messages. If a taxpayer's commercial bank is not a member of the Federal Reserve System, the taxpayer's commercial bank must use a correspondent bank having access to the Federal Reserve Communications System or Fedwire.

"Taxpayers will provide specific information to their commercial bank so that a transfer of funds can take place. A sample EFT format and description of required information are shown in Exhibit 1. Some of the information remains constant; other information must be provided by the taxpayer and the bank. Exhibit 2 is an EFT format with information that remains constant.

"Taxpayments shall be considered as made when the taxpayer unconditionally directs his commercial bank to immediately make an EFT to the Treasury Account in accordance with the procedures established by the bank to ensure that the EFT is effected to the Treasury Account by no later than the close of the business day that the tax return is due. Taxpayers must take into account any time limit established by their commercial bank to timely make the EFT into the Treasury Account. Penalties and interest for late payment may be assessed when an EFT has not been timely credited into the Treasury Account.

"Taxpayers should get a receipt or copy of each EFT message from their commercial bank through normal banking procedures. This information will be useful if it becomes necessary to resolve any discrepancies such as an incomplete EFT message. It will also serve as the record of payment to be retained as part of the taxpayer's records.

"Taxpayers and their banks should use extreme care in providing information for EFT messages. Failure to supply correct information can result in errors which may subject the taxpayer to penalties and interest for late payment.

"When a correct EFT has not been credited to the Treasury Account on the due date of a tax return, the Internal Revenue Service Center will notify ATF regional personnel. ATF regional personnel will contact the taxpayer to determine the cause for the missing or incorrect EFT message.

"SEC. 6. REVERSAL OF EFT MESSAGES.

"If a mistake has been made in an EFT message that has been credited to the Treasury Account, the taxpayer's commercial bank should request a reversal. A written request or service message from the commercial bank requesting a reversal of the EFT must be received by Treasury (use code 021030004) before the funds are returned.

"If the request is received on the same day as the initial EFT message, Treasury can initiate a reversal of the EFT without undue delay. Subsequent-day requests for the reversal of EFT messages, which have been classified to an incorrect Agency Location Code or to the wrong account, will be referred by Treasury to the appropriate agency for necessary action to return the funds.

"SEC. 7. PREPARING AND FILING TAX RETURN FORMS.

"Taxpayers paying by EFT will enter 'EFT' or 'Electronic Fund Transfer' in the item of the tax return requesting the form, type or kind of payment or remittance. All other items on the tax return will be prepared in the normal manner. Taxpayers will ignore any instructions or items indicating that payment should accompany the tax return.

"Tax return forms from taxpayers (other than in Puerto Rico) required to pay by EFT will be filed with the appropriate Internal Revenue Service Center. The addresses of, and areas served by, each Internal Revenue Service Center are shown in Exhibit 3. Tax returns should be mailed to service centers. Do not deliver tax returns in person to service centers.

"The taxpayer can continue to follow instructions on tax returns, except that the original and copies of the tax return normally filed with the IRS district director or ATF officer will be filed with the Internal Revenue Service Center. The taxpayer will continue to file a copy of the tax return with the regional regulatory administrator.

"Taxpayers in Puerto Rico will continue to file their tax returns with the IRS Officer-in-Charge. Should an EFT taxpayer in Puerto Rico file a prepayment tax return, remittance will not be made by EFT. Instead, remittance should accompany the prepayment tax return filed with the Officer-in-Charge.

"Tax return forms will be revised in the future to include these filing instructions for taxpayers paying by EFT.

"SEC. 8. DISCONTINUANCE OF TAXPAYMENTS BY EFT.

"Taxpayers who pay less than \$5 million in excise taxes by EFT in the preceding fiscal year may elect to discontinue paying taxes by EFT. These taxpayers, except in Puerto Rico, will notify the director of the service center and the regional regulatory administrator of their intent at the time the last tax return is filed under the EFT system. Taxpayers in Puerto Rico will notify the regional regulatory administrator and the Officer-in-Charge.

"Attached to the return, except in Puerto Rico, will be the statement: 'No taxes are due by EFT, because the amount of taxes paid during the preceding fiscal year was less than five million dollars. Future tax returns, accompanied by remittance, shall be filed with the district director.'

"In Puerto Rico the attached statement will read:
'No taxes are due by EFT, because the amount of taxes paid during the preceding fiscal year was less than five million dollars. In the future, remittance shall accompany the tax return.'

"After the notification has been sent, the taxpayer will begin filing his tax return, with remittance, when taxes are due for the next succeeding return period.

"SEC. 9. INQUIRIES.

"Inquiries about preparing EFT messages should be made to the taxpayer's ATF regional office.

"***"

Exhibit 1

SAMPLE ELECTRONIC FUND TRANSFER (EFT) MESSAGE

A sample EFT message and a narrative description of it are given below. This shows the information that the commercial bank and the taxpayer will need to make an EFT to the Treasury Department for paying alcohol or tobacco products excise tax.

SAMPLE ONLY. DO NOT USE.

①	②	③	④	⑤	⑥	⑦
TO		TYPE				
021030004		10				
⑧	⑨	⑩	⑪	⑫		
FROM		REF	AMOUNT			
123456789		791	\$ 1,000,000.00			
ORDERING BANK AND RELATED DATA						
NATIONAL NYC						
TREAS NYC/(20091900) IRS - BSC						
5110.35 S/W 80-5						
98-7654321						
DSP-NY-75						

Exhibit 1 (Con't.)

Item 1--Priority Code--The priority code will be provided by the sending bank. (Note: Some Federal Reserve District Banks may not require this item.)

Item 2--Treasury Department Code--The nine-digit identifier is the routing symbol of the Treasury. This item is a constant and is required for all EFT messages prepared for Treasury.

Item 3--Type Code--This number is a constant and is required for all EFT messages prepared for Treasury.

Item 4--Sending Bank Code--This nine-digit identifier will be provided by the sending bank.

Item 5--Class--The class field may be used at the option of the sending bank. (Note: Some Federal Reserve Districts prohibit use of this field.)

Item 6--Reference Number--The reference number will be inserted by the sending bank to identify the transaction.

Item 7--Amount--The amount must include the decimal point and cents digits. The amount will be given by the taxpayer.

Item 8--Sending Bank Name--The telegraphic abbreviation will be provided by the sending bank.

Item 9--Treasury Department Name--This item is very important to ensure that the Treasury Department receives the EFT. This item has 11 characters that are rigidly formatted in a nonvariable sequence.

<u>Character #(s)</u>	<u>Character(s)</u>	<u>Definition</u>
1 through 5	TREAS	First part of Treasury Department telegraphic abbreviation
6		Space (leave blank)
7 through 9	NYC	Second part of Treasury Department telegraphic abbreviation
10	/	Slash
11	(Left parenthesis

The 11 characters must be put at the left margin of line 5 of the EFT form and must appear as follows: TREAS NYC/(.

Exhibit 1 (Con't.)

Item 10--Agency Location Code (ALC)--This item is very important to ensure that the proper Internal Revenue Service Center receives the EFT. Each service center has an eight-digit ALC which is shown in Exhibit 3 of this ATF Procedure. The taxpayer must insert the ALC immediately following the left parenthesis of item 9, and insert a parenthesis immediately following the ALC. No spaces, dashes or other characters can appear in the ALC.

Item 11--Agency Name and Service Center Symbol--This item identifies the Internal Revenue Service by the abbreviation IRS and the service center by its symbol. Service center symbols indicating where the taxpayer files the return are shown in Exhibit 3. A dash will be placed between the abbreviation IRS and the service center symbol.

Item 12--Tax Return Identification--This item identifies the tax return for which the EFT message is being made. The ATF form number and the serial number of the tax return will be given by the taxpayer. The serial number of the tax return will be preceded by the abbreviation S/N, the last two digits of the calendar year and a dash.

Examples:

A distilled spirits plant: 5110.35 S/N 80-5.

A bonded wine cellar: 2050 S/N 80-5.

A brewery: 2034 S/N 80-5.

A Puerto Rican distilled spirits taxpayer: 5110.52 S/N 80-5.

*Item 13--Employer Identification Number--This item is familiar to taxpayers and is very important to the service center for identifying taxpayers.

*Item 14--Registry/Plant Number or Name and Address of Taxpayer--Taxpayers will give their registry, permit or plant number as assigned by ATF and shown on their tax return. In the case of breweries and Puerto Rican taxpayers, the name of the taxpayer and the city and state or commonwealth location as shown on the tax return will be given.

*NOTE: The information in items 13 and 14 may be placed on line 6 with item 12 at the discretion of the commercial bank. If line 6 does contain items 12, 13 and 14, the items should be separated from each other by a slash (/).

Exhibit 2

BLANK FORM FOR ELECTRONIC FUND TRANSFER MESSAGES.

The taxpayer may reproduce this blank EFT form. Constant data to be supplied by the Treasury Department has been given. The taxpayer and the commercial bank shall supply the remaining information as stated in Exhibit 1. It is suggested that the taxpayer use this blank EFT form to file permanent information with the commercial bank. The only items that normally change for each EFT are the amount (item 7) and the serial number of the tax return (item 12).

TO		TYPE		
021030004		10		
FROM		REF	\$	AMOUNT
ORDERING BANK AND RELATED DATA				
TREAS NYC/() IRS-				

INTERNAL REVENUE SERVICE CENTERS

<u>LOCATION OF TAXPAYER'S BUSINESS</u>	<u>SERVICE CENTER SERVING TAXPAYER'S BUSINESS</u>
New Jersey, New York City, and counties of Nassau, Rockland, Suffolk, and Westchester	Agency Location Code: 20091900 Service Center Symbol: BSC Address: Internal Revenue Service Center Stop 330 Holtsville, NY 11742
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Agency Location Code: 20090800 Service Center Symbol: ANSC Address: Internal Revenue Service Center Clearings & Deposit Section Stop 538 310 Lowell Street Andover, MA 01812
District of Columbia, Delaware, Maryland, Pennsylvania, Puerto Rico	Agency Location Code: 20092800 Service Center Symbol: PSC Address: Internal Revenue Service Center Perfection Unit Stop 312 P.O. Box 245 Bensalem, PA 19020
Alabama, Florida, Georgia, Mississippi, South Carolina	Agency Location Code: 20090700 Service Center Symbol: ATSC Address: Internal Revenue Service Center Receipt & Control Branch Stop 13 P.O. Box 47-421 Doraville, GA 30362

Exhibit 3 (Con't.)

INTERNAL REVENUE SERVICE CENTERS

<u>LOCATION OF TAXPAYER'S BUSINESS</u>	<u>SERVICE CENTER SERVING TAXPAYER'S BUSINESS</u>
Michigan, Ohio	Agency Location Code: 20091700 Service Center Symbol: CSC Address: Internal Revenue Service Center P.O. Box 2572 Cincinnati, OH 45201
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Agency Location Code: 20091800 Service Center Symbol: AUSC Address: Internal Revenue Service Center Stop 121 P.O. Box 934 Austin, TX 78745
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, South Dakota, Oregon, North Dakota, Utah, Washington, Wyoming	Agency Location Code: 20092900 Service Center Symbol: OSC Address: Internal Revenue Service Center Clearing & Deposit Section Special Remittance Unit 1160 West 1200 South Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Agency Location Code: 20090900 Service Center Symbol: KCSC Address: Internal Revenue Service Center Cashier Section Stop 35 Kansas City, MO 64999

Exhibit 3 (Con't.)

INTERNAL REVENUE SERVICE CENTERS

<u>LOCATION OF TAXPAYER'S BUSINESS</u>	<u>SERVICE CENTER SERVING TAXPAYER'S BUSINESS</u>
California, Hawaii	Agency Location Code: 20098900 Service Center Symbol: FSC Address: Internal Revenue Service Center Special Processing Stop 3124 P.O. Box 12586 Fresno, CA 93778
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Agency Location Code: 20094900 Service Center Symbol: MSC Address: Internal Revenue Service Center Stop 8, Attn: P:R:C: P.O. Box 30309 AMF Memphis, TN 38130

SEC. 10. INQUIRIES ABOUT THIS INDUSTRY CIRCULAR.

If you have any questions concerning this industry circular, refer to it by number and address the questions to the Assistant Director (Regulatory Enforcement), Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, NW., Washington, D.C. 20226.


Director